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Arizona Corporation Commission

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E-00000A-01-0630

IN THE MATTER OF THE GENERIC PROCEEDING  
CONCERNING ELECTRIC RESTRUCTURING ISSUES

Docket No. E-00000A-02-0051  
**COMMENTS OF THE AZISA**

Pursuant to ACC Staff's January 9, 2009 request for comments in the above matter, the Arizona Independent Scheduling Administrator's Association (AZISA) files these remarks.

The ACC has enumerated several questions. These comments focus generally on the risks and benefits of competition by simply informing the Commission that the AZISA is prepared to schedule competitive retail electric transactions. The risk of not having a regional Independent System Operator (like the California ISO) in this State therefore has been removed.

As brief background, the AZISA is a non-profit 501 (c) (6) services corporation established in 1998 to ensure fair, non-discriminatory access to the owners and users of the transmission grid within Arizona. The AZISA has an approved FERC tariff on file and a detailed Protocols Manual ready for use. The AZISA protocols have been tested in actual operating experience in 1999-2000. The AZISA has an active Board comprised of a diverse group of Stakeholders and an Interim Executive Director with over a quarter of a decade of industry experience and is ready, willing and prepared to facilitate the movement and delivery of competitive electric sales to retail customers in Arizona. Renewables developers, Independent power plant owners, transmission providers and customers are interested in the availability of the AZISA services once a Certificate of Convenience and Necessity (CCN), such as the request of Sempra for a CCN, is acted upon.

Prior to the formation of the AZISA in 1994-5, the Commission's Utilities Division Staff was directed to form an Electric Competition Advisory Group (ECAG) that gave input into the rules for electric competition relating to transmission access and prices; transmission and generation system operation; and system reliability. Over the next 18 months, these rules were reviewed, debated and adopted. ECAG recognized that a regional RTO would not be operational in time for competition commencing in 1998-1999, so the AZISA was formed to operate in the interim. Sec. R14-2-1609. Also, during the development plan for the AZISA, the stakeholders determined the need for a set of operational and administrative protocols (the Protocols Manual) to govern operations. This was developed through a participatory process open to all stakeholders. The agreements to implement these protocols with the transmission providers also ensure compliance with settlement processes, establish creditworthiness of an ESP, and provide for other protections. In 1999-2000, various Energy Service Providers (ESPs) were granted CCNs. APS Energy Services was one ESP who served retail customers such as Albertsons in APS', SRP's territories and U of A in TEP's territory, for example. These schedules were arranged pursuant to the FERC filed Open Access Transmission Tariffs of the utilities and the Protocols Manuals. These transactions were successfully completed.

More recently, the ACC has reaffirmed the AZISA's purpose by stating that the AZISA "provides the important benefit of keeping the possibility of retail access available to Arizona consumers at minimal cost, by providing potential competitors with the necessary assurance that they will have fair and equitable access to transmission until an RTO is formed and approved by FERC to take over that function." ACC Decision No. 68485 (February 23, 2006) at 15.

In sum, the creation and governing instruments of the AZISA were formed with active stakeholder input, have been put to the test, and provide protections to ensure fair, non-discriminatory access to Arizona's transmission grid—an essential element of moving forward with retail competition in this State.

Dated this 30th day of January 2009.

*Vicki Sandler*  
by KE

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